

Message Text

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ORIGIN EA-14

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FM SECSTATE WASHDC

TO AMEMBASSY SAIGON

INFO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

USSAGE NAKHON PHANOM

CINCPAC HONOLULU HI

COGARD POLAD

XMT AMEMBASSY SUVA

UNCLAS STATE 245895

E.O. 11652: N/A

TAGS:PFOR, XC, US

SUBJECT:DECEMBER 17 EA PRESS SUMMARY (NOTE: CSM, SUN
UNAVAILABLE)

CHINA

1. ACCORDING TO AGDEPT PUBLICATION "FOREIGN AGRICULTURE",
PRC IS EXPECTED TO IMPORT RECORD 1 BILLION DOLLARS WORTH OF
U.S. AGRICULTURAL PRODUCTS DURING 1973-74 DESPITE REPORED
BUMPER CROP IN CHINA. IN NEXT FY, CHINA IS EXPECTED TO
IMPORT ABOUT 9 MILLION TONS OF GRAIN, INCLUDING 6.5 MILLION
TONS WHEAT. OF THAT FIGURE, ALMOST 4 MILLION IS EXPECTED
TO COME FROM U.S.; REST FROM CANADA AND AUSTRALIA. PRC
ALSO EXPECTED TO BUY FROM 2.5 MILLION TO 3 MILLION TONS OF
SEED GRAINS, INCLUDING CORN, FROM THE U.S. (WP, PHINQ).
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2. JOC REPORTS FROM SWEDEN THAT SAAB HAS RECEIVED ORDER
FOR 500 TRUCKS FROM PRC, FOR USE IN NORTH CHINA TIMBER
TRANSPORT. ORDER WORTH U.S. DOLS 12.5 MILLION, DELIVERIES
TO BEGIN EARLY 1975.

JAPAN

3. EGYPTIAN DEPUTY PM RAISING SUBJECT OF JAPANESE COOPERATION IN CLEARING AND EXPANSION OF SUEZ CANAL WITH VISITING JAPANESE DEPUTY PM MIKI. JAPAN IS LIKELY TO OFFER EGYPT LOW-INTEREST LOAN OF 400 MILLION DOLLARS FOR THIS PURPOSE;

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MIKI TO GIVE EGYPTIANS FINAL DECISION ON LOAN BEFORE HE LEAVES DECEMBER 18 (REUTER, WP).

4. WSJ'S PEARLSTINE REPORTS THAT LOWER TARIFFS, SHARPLY REDUCED COMMODITY TAXES, AND 1971 AND 1972 CURRENCY REVALUATIONS STIMULATE RISE IN IMPORTED CAR SALES IN JAPAN. JAPANESE DEALER MARKUPS-- OFTEN MORE THAN 50 PERCENT OF CAR'S COST -- KEEP PRICES TOO HIGH FOR MASS MARKETING. NEVERTHELESS, AUTO IMPORTERS IN JAPAN PREDICT THEIR SALES FOR THIS YEAR WILL BE ABOUT 40,000, UP FROM 23,650 IMPORTS SOLD IN 1972. PEARLSTINE EXPECTS OIL SHORTAGE IN JAPAN TO HURT ALL AUTO SALES, ESPECIALLY LARGE CARS.

5. WSJ REPORTS FROM TOKYO FINMIN'S STATEMENT THAT JAPAN POSTED RECORD BALANCE OF PAYMENTS DEFICIT EQUIVALENT TO 1.71 BILLION DOLLARS IN NOVEMBER; THIS WAS NINTH CONSECUTIVE MONTHLY OUTFLOW FOR JAPAN. OFFICIALS ATTRIBUTED NOVEMBER DRAIN TO MASSIVE JAPANESE INVESTMENTS IN OTHER COUNTRIES AND CURRENCY OUTFLOWS STEMMING FROM NEW CONFIDENCE IN U.S. DOLLARS AGAINST YEN. REUTER (NYT) REPORTS GOJ ANNOUNCEMENT DECEMBER 16 OF SERIES OF FINANCIAL MEASURES DESIGNED TO PREVENT RAPID BALANCE OF PAYMENTS DETERIORATION.

6. JOC REPORTS THAT BANKING AUTHORITIES PLANNING TO RAISE DISCOUNT RATE TO 8.5 OR 9 PERCENT AS MAJOR STEP TO CUR-
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TAIL RAMPAGING INFLATION. THIS WOULD BE FOURTH RAISE SINCE APRIL. MEANWHILE, CULLISON (JOC) REPORTS DIET EXPECTED TO ENACT TWO EMERGENCY BILLS THIS WEEK GIVING GOJ POWER TO MEET OIL CRISIS THREAT. MEASURES WOULD ENABLE GOJ TO STABILIZE OIL PRICES AND ESTABLISH REASONABLE PRICE LEVELS FOR COMMODITIES ESSENTIAL TO DAILY LIVELIHOOD OF PEOPLE. KEY INDUSTRIAL RAW MATERIALS WOULD ALSO BE COVERED. CULLISON SAYS WHOLESALE PRICE RISE FOR NOVEMBER EXPECTED REACH "FANTASTIC" SIX PERCENT AND FY 1973 COST OF LIVING RISE COULD EXCEED 30 PERCENT. REFLECTING THESE CONDITIONS, AND OIL SUPPLY SLASH, CABINET ON WEEKEND ANNOUNCED REAL GROWTH RATE FOR FY 74 WOULD BE CLOSE TO 2.5 PERCENT. BUT CULLISON OBSERVES EVEN THIS RATE WOULD TAKE A BIT OF LUCK. AND WITH POPULATION ACCUSTOMED TO RATE

MORE LIKE 10 PERCENT YEARLY, THIS WOULD BE ALMOST UNBELIEVABLE TO JAPANESE PUBLIC.

INDONESIA

7. INDONESIA AND THREE LA COUNTRIES PLANNING TO CASH IN ON RECORD PETROLEUM PRICES SET LAST WEEK BY IRAN'S AUCTION OF 85 MILLION BARRELS OF CRUDE FOR AS MUCH AS DOLS 17.34 PER BARREL. INDONESIA'S MINISTER OF MINING ANNOUNCED IN

JAKARTA THAT HIS COUNTRY WOULD BOOST PRICES EARLY NEXT YEAR, BUT DECLINED TO GIVE SPECIFICS. HE NOTED, HOWEVER, THAT JAPAN, INDONESIA'S BIGGEST OIL CUSTOMER, PAID DOLS 16 TO DOLS 17.34 PER BARREL FOR ME OIL. JAPAN ACCOUNTS FOR ABOUT 70 PERCENT OF 1.3 MILLION BARRELS PRODUCED IN INDONESIA DAILY (WSJ).

THAILAND

8. KING DISSOLVES NATIONAL ASSEMBLY DECEMBER 16 TO PAVE WAY FOR ELECTION OF NEW PARLIAMENT BY NATIONAL CONVENTION. NEW PARLIAMENT IS TO RATIFY NEW CONSTITUTION, WHICH WOULD PAVE WAY FOR ELECTIONS THREE TO SIX MONTHS THEREAFTER (AP, NYT, NYDN).

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9. FIRST U.S. PROTEST LODGED WITH ICCS CALLS FOR PROBE OF COMMUNIST ATTACK ON UNARMED HELICOPTER IN WHICH U.S. OFFICER KILLED "IN COLD BLOOD" AND OTHERS WOUNDED. VC DENY JMC HAD AUTHORIZED HELICOPTER MISSION. CHIEF OF U.S. DELEGATION TO FPJMT TELLS ICCS THAT COMMUNISTS OPENED FIRE AS SEARCHERS DISEMBARKED; U.S. OFFICER IN ACCORDANCE WITH REGULATIONS STOOD TO DEMONSTRATE THAT TEAM UNARMED, TO SHOW DISTINCTIVE JMC UNIFORM MARKINGS AND TO SURRENDER, AND WAS SHOT DOWN AT SHORT RANGE, "...CLOSE ENOUGH FOR THE COMMUNIST SOLDIERS TO ASCERTAIN THE PEACEFUL NATURE OF THE MISSION" (AP WP, NYDN; PHINQ). SHIPLER (NYT) ADDS THAT AMERICANS HAD APPARENTLY BEEN TOLD BY SVN OFFICIALS THAT CRASH SITE BEING INVESTIGATED WAS SECURE THOUGH VILLAGERS SAID AREA HAD LONG BEEN A VC ZONE. SURVIVORS OF ATTACK RETURNING TO THAILAND WHERE THEY ARE STATIONED. SHIPLER SEES FUTURE POLICY ON SEARCHES NOW UNCERTAIN.

10. TASS SAYS SOVIET COP CENTRAL COMMITTEE SECRETARY IN MOSCOW REAFFIRMED SUPPORT OF NVN AND VC TO LE DUC THO, CALLED FOR END OF SAIGON CEASE-FIRE VIOLATIONS. THO WAS IN MOSCOW EN ROUTE TO PARIS TALKS WITH HAK (PHINQ).

11. UPI WASHINGTON QUOTES U.S. OFFICIALS THAT SENATE VOTE

BANNING USE OF U-S. FUEL FOR SVN ARMED FORCES WOULD LEAVE ARVN WITHOUT SUPPLIES FOR TANKS, PLANES OR TRUCKS "IN A MATTER OF WEEKS". OFFICIALS SAY LAWYERS IN SEVERAL GOVERNMENT DEPARTMENTS FAILED TO FIND LOOPHOLES IN AMENDMENT (CHITRIB).

12. MCCOMBS (WP) IN ON-THE-SPOT REPORT WRITES OF ONCE EXOTIC KIEN DUC AREA THAT HAS BEEN TURNED INTO A DEVASTATED "MOONSCAPE" BY TANK BATTLES. BUILDINGS FLATTENED,

TREES GONE, PEOPLE DEAD OR FLED TO REFUGEE CAMPS. HE TELLS OF FINDING SOLDIER'S PERSONAL LETTER OF HOPE AND ANGUISH AMID RUBBLE. LOCAL MONTAGNARDS, FORMERLY SELF-SUFFICIENT, HAD TO FLEE AND LOSE EVERYTHING. ROAD TO GIA NGIA REOPENED FOR MILITARY CONVOYS. MCCOMBS TELLS OF VN WOMAN, OWNER OF TRUCKING AND LUMBER BUSINESS, WHO FLEW IN TO BRIBE ARVN AND PROVINCE OFFICIALS TO PERMIT HER TRUCKS TO ACCOMPANY ARVN CONVOYS TO SAFE PLACE. GVN UNCLASSIFIED

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ORDER FORBIDS CIVILIANS TO LEAVE "TO MAINTAIN THE MORALE OF THE TROOPS...IF ALL THE CIVILIANS FLEE, THEN WHAT ARE THEY FIGHTING FOR?" MCCOMBS QUOTES "SEVERAL SOURCES" THAT RESULT IS THAT RICH HAVE LEFT AND POOR REMAIN.

13. KIRK (CHITRIB) IN WASHINGTON SAYS ANALYSTS SEE INDO-CHINESE CONFLICT ENTERING MOST CRITICAL PHASE SINCE CEASE-FIRE WITH HAK-THO MEETING COMING UP, AND WITH TROOPS OF BOTH SIDES IN VN POISED FOR WHAT MAY BE ULTIMATE TEST OF STRENGTH. ANALYSTS DIFFER AS TO WHETHER HANOI WILL LAUNCH OFFENSIVE BUT ALL AGREE THAT ITS FORCES ARE FULLY PREPARED. IF ASSAULT OCCURS MILITARY SOURCES BELIEVE PRIMARY GOAL WILL BE HUE. ANALYSTS DOUBT ARVN COULD WITHSTAND FULL-SCALE OFFENSIVE WITHOUT USAF SUPPORT EVEN THROUGH BETTER-EQUIPPED NOW THAN YEAR AGO SINCE, AS ONE SOURCE SAYS, "NVN CAN GENERALLY CHOOSE WHERE AND WHEN TO FIGHT". ANALYSTS WHO DO NOT BELIEVE HANOI WILL LAUNCH OFFENSIVE IN NEXT FEW MONTHS PREDICT ONE WITHIN NEXT TWO YEARS. DOUBTS ABOUT RESPONSE FROM CHINA, USSR AND U.S. MAY BE RESTRAINING HANOI AT THIS TIME, BUT NVA RISKS PIECEMEAL ATTRITION BY LIMITING ITSELF TO SMALL, ISOLATED ATTACKS. QUOTES VETERAN VN HAND THAT NEXT COUPLE OF MONTHS CRITICAL FOR NVN, AND IN THAT TIME WILL BE CLEAR WHETHER THERE WILL BE A MAJOR OFFENSIVE "--AND MAYBE EVEN WHO WILL WIN IN THE END."

KOREA

14. AP (PHINQ, NYT, NYDN) REPORTS THAT TWO HOURS AFTER CARDINAL KIM SOOWHAN, SPEAKING TO GROUP OF YOUNG CHRISTIANS, URGED PARK TO SAVE THE NATION BY RESTORING DEMOCRACY, 400 CATHOLICS DEMONSTRATED IN DOWNTOWN SEOUL.

DEMONSTRATORS HAD ATTENDED SUNDAY MASS IN DOWNTOWN CATHEDRAL, MARCHED TWO BLOCKS SHOUTING SLOGANS DEMANDING REFORMS AND END TO JAPANESE "ECONOMIC SUBJUGATION" WHEN TURNED BACK BY POLICE. FOUR PROTESTERS REPORTED TAKEN IN FOR QUESTIONING.

COMMENT AND ANALYSIS.

15. WP'S GREENWAY, WRITING FROM PAK OU LOCATION OF ONE OF UNCLASSIFIED

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"WENTY-SEVEN "TEMPORARY CEASE-FIRE MARKERS" IN LAOS WHICH BOTH SIDES HAVE AGREED UPON TO AVOID CONFRONTATIONS, SAYS IT IS VERY QUIET, AND UNLIKE VN AND CAMBODIA WHERE WAR STAGGERS ON, PEACE HAS COME. THERE ARE STILL OCCASIONAL INCIDENTS, BUT FEW AND FAR BETWEEN. THERE IS A FRESH WATER SPRING ACROSS THE RIVER FROM PAK OU, AND THE LAO GOVERNMENT ALONG WITH USAID, HAS OFFERED THE PL A DEAL WHEREIN IF THE PL WILL ALLOW THE GOVERNMENT AND USAID TO PIPE WATER ACROSS THE RIVER TO PAK OU, USAID WILL PIPE WATER TO BAN KHOK AS WELL. MANY FORMER VILLAGERS WOULD LIKE TO RETURN BUT THEY WOULD ALSO LIKE THE FREEDOM TO MOVE FREELY BETWEEN THE TWO ZONES; ONCE BACK THE REFUGEES ARE NOT ALWAYS FREE TO RETURN TO GOVERNMENT-CONTROLLED AREAS. PL MAY CONTROL OVER TWO-THIRDS OF LAO TERRITORY BUT THEY CONTROL LESS THAN ONE-THIRD OF THE POPULATION. ANOTHER SIGN OF PEACE: A BOAT LOAD OF HIPPIES IN BEADS, CALICO DRESSES AND INDIAN SHIRTS COMING UP THE MEKONG TO VISIT A SACRED GROTTA. SAYS MOST OF THE 1100 PL TROOPS IN LUANG PRABANG KEEP TO THEMSELVES AND ARE MODELS OF DEPORTMENT. THEY HAVE OPENED UP FREE MEDICAL DISPENSARY COMPLETE WITH ACUPUNCTURIST; MEDICINE ON RLG SIDE IS NEITHER FREE NOR PLENTIFUL. INTERVIEWS INDICATE THAT PL ENJOY SOME SYMPATHY AMONG LUANG PRABANG POPULATION WHO ARE SICK OF CORRUPT GOVERNMENT AND MILITARY OFFICIALS.

16. FROM SEOUL, NYT'S BUTTERFIELD NOTES THAT SOME ROKG CRITICS HAVE BEEN EMBOLDENED BY PARK'S ANNOUNCEMENT REPLACING KCIA DIRECTOR. REPORTS ONE OPPOSITION POLITICIAN IN DECEMBER 15 INTERVIEW STATEMENT AS SAYING, "THE GOVERNMENT'S PROMISE TO STOP CIA SPYING IS ONLY A TEMPORARY TACTICAL RETREAT, AND WE ARE NOT GOING TO STOP UNTIL WE GET SOME FUNDAMENTAL, INSTITUTIONAL CHANGE LIKE A NEW CONSTITUTION." HOWEVER, GOVERNMENT, ALARMED BY WHAT A SPOKESMAN TERMED "THE NEW VOICES OF PROTEST," INSISTS IT HAS GONE FAR ENOUGH TO PROVE IT IS MODERATE, AND CANNOT GO FURTHER BECAUSE OF NK MILITARY THREAT. PREMIER KIM JONG PIL SAID IN MEETING WITH UNIVERSITY PRESIDENTS, "IF SOMEONE THINKS THAT IF THEY PUSH HARD ENOUGH THEY WILL GAIN SOMETHING, THEY ARE WRONG," WARNING THAT GOVERNMENT'S NEW POLICY IS NOT "WEAKNESS." AS A WESTERN DIPLOMAT ANALYZED THE SITUATION, "IT'S A LITTLE LIKE CHINA DURING THE HUN-

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DRED FLOWRERS PERIOD...THE GOVERNMENT RELAXED CONTROLS OVER THE INTELLECTUALS AFTER YEARS OF SUPPRESSION. EVERYONE SUDDENLY FELT LIBERATED AND CRITICIZED THE GOVERNMENT, AND THEN THE GOVERNMENT CRACKED DOWN AGAIN." SOURCE EXPECTS THINGS TO GET ROUGH AGAIN, ESPECIALLY IN THE SPRING WHEN SCHOOLS ARE REOPENED. BUTTERFIELD CITES GOVERNMENT OFFICIALS AS INSISTING THAT PARK WAS AWARE OF CIA "EXCESSES", LONG BEFORE STUDENTS BEGAN PROTESTING, AND HAD PLANNED TO MAKE CHANGES ANYWAY.

(ADD AUSTRALIA)

17. SUNDAY PAPERS CARRIED REPORTS FROM CANBERRA OF U.S. PROTEST OVER REPORTED REMARKS IN HANOI BY OVERSEAS TRADE MINISTER CAIRNS.

RUSH

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<< END OF DOCUMENT >>

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